

# EXHIBIT B

## Statement of Work # 1

This statement of work ("SOW # 1), effective August 1, 2024 ("SOW # 1 Effective Date), is entered by and between Horizon Media LLC ("Contractor") and Big Lots Stores, LLC ("Big Lots") and is governed by the terms of the Master Services Agreement ("Agreement"), effective August 1, 2024 by and between Contractor and Big Lots.

SOW # 1 Term: August 1, 2024 – July 31, 2025 ("SOW # 1 Term")

### **Services to be provided**

Included Media Categories: Affiliate/Influencer, SEO, Paid Search

- Account management services
- Billing reconciliation

\* If Big Lots requests Contractor to conduct proprietary research, a project estimate will be provided for Big Lots' prior approval.

### **Account Management Services**

Contractor will provide account management service to Big Lots on an on-going basis through Contractor's business solutions group. This group will be responsible for day-to-day media workflow between Contractor and the designated Big Lots personnel.

In addition, the account group will:

- Participate as an active member of the Big Lots marketing team
- Orchestrate all internal Contractor group activities
- Secure integrity of Contractor output relative to Big Lots' goals
- Maintain media budgets

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### **Overall Account Management**

Contractor will be a critical business partner to the broader Big Lots Communications and Marketing Team. This role will manifest as not just the development of media plans and associated buying, but as a true collaborator with the full Big Lots team, other Big Lots agencies and any other third parties involved. Contractor's goal is to provide seamless and transparent integration in order to contribute to the development of key solutions and strategies that will provide Big Lots with a meaningful advantage in the marketplace. Contractor's Business Solution's Team will be the centerpiece of this effort and will do so by:

1. Participating in (and leading as appropriate) client status and other meetings/conference calls
2. Leading collaboration with all Contractor partners
3. Ensuring timely completion of all deliverables and that all Contractor outputs meet Contractor's rigorous standards
4. Ensuring optimal allocation of resources in alignment and with prior approval of Big Lots. This will involve:
  - Reallocating resources between SEM, SEO, Affiliate & Influencer marketing based on performance data
  - Conducting quarterly reviews to adjust resource allocations as needed to maximize ROI
  - Performance-based resource adjustments on a quarterly basis. Criteria for these adjustments will include achievement of KPIs, market trends and changes and strategic priorities of Big Lots
5. Communicating with the core Big Lots and brands teams to include:
  - Weekly status reports which capture all key elements of existing projects and Big Lots requests
  - Ongoing financial management and budget accountability in line with this Statement of Work
  - Ongoing Big Lots education of new/emerging media platforms and other category insights

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### **Paid Search, Search Engine Optimization (SEO), Affiliate**

Contractor will provide Big Lots with strategic planning services and activation management across programmatic and paid social for all key marketing initiatives. Strategic guidance and recommendations will be driven by business objectives and established performance goals.

#### **Paid Search**

Contractor will provide Search Engine Marketing and eCommerce (“SEM”) Services as set forth below and will cover the United States.

Agency will provide the following strategy, services, and/or deliverables:

- Set up, manage, and optimize Big Lots’ Paid Search (SEM) and biddable media activity for the following publishers: Google; Microsoft; Google Shopping, and Microsoft Shopping
- Review of overall business goals & objectives as they relate to SEM strategies, goals & objectives
- Support campaigns driving to applicable domains, as provided by Big Lots
- Consult Big Lots on performance benchmarks and conversion types
- Ongoing insight regarding optimization of Big Lots’ overall SEM program
- Strategic leadership and SEM team support
- Sharing of industry findings relevant to Big Lots
- Alignment of SEM with other digital and traditional media elements managed by Agency
- Manage vendor payment processing on behalf of Big Lots, if necessary

#### **Setup and Ongoing SEM Services**

Contractor will begin all paid search engagements with a comprehensive setup phase that includes the following items for all account types:

- Kick-off meeting
- Alignment on search objectives based on details provided by Big Lots in campaign briefs
- Search strategy, including specific recommendations for search weighting by general market, applicable audience segments, device, geography.
- Determine KPIs and metrics for measurement, in conjunction with Big Lots within 30 days of SOW #1 Effective Date.
- Keyword development – preparation of detailed keyword lists, keyword groups and mapping to Big Lots-provided landing pages
- Establish campaign budget based on inputs from search strategy, in addition to forecasting search volume and performance against agreed-upon Big Lots metrics e.g. SOV, CTR, impression delivery, revenue, ROI, ROAS.
- Creative setup - Development of search ad copy, including obtaining necessary approvals from merchants with assistance from Big Lots.
- Trafficking setup
- Account setup – Establishment of accounts/programs within above-referenced publishers, as well as within bid management technology selected
- Merchant feed setup – Contractor will consult Big Lots on merchant feed setup and optimization.
  - Ongoing management of merchant feed will be covered in a separate SOW.
- Discoverability audit, identifying opportunities for performance improvement and including a roadmap for implementation of vital optimizations

Contractor will provide the following SEM services on an ongoing basis or as defined below:

- Overall program strategy and tactical implementation - to be refreshed on a quarterly or by-campaign basis
  - Testing roadmap, inclusive of initiative, considerations, timing, duration, and high-level measurement plan.
- Competitive analysis – to be provided on a quarterly basis
  - Review of competitor and retailer SEM activity and recommendations for adjustment of in-market strategy
  - POV on RVC category and SEM industry trends
- Campaign management and optimization
  - Budget optimization, keyword optimization, bid management, creative optimization, landing page recommendations, keyword expansion, ad copy testing
  - Audits on an as-needed basis
- Reporting and Analysis – Contractor will provide Big Lots with a weekly report and a campaign wrap-up or quarterly business review, the format of which will be agreed upon between Contractor and Big Lots, and will at minimum include:
  - Keyword performance (volume, CTR, CPC, etc.)
  - Creative performance (CTR, top performing messaging, etc.)
  - Conversion data and insights, inclusive of ROI/ROAS by product, product category or any other segmentation defined in collaboration with the Big Lots (where applicable)
- Real-Time Reporting and Analysis – Contractor will provide Big Lots with real-time access to view campaign performance and will at minimum include:
  - Keyword performance (volume, CTR, CPC, etc.)
  - Creative performance (CTR, top performing messaging, etc.)
  - Conversion data and insights, inclusive of ROI/ROAS by product, product category or any other segmentation defined in collaboration with the Big Lots (where applicable)
- Alignment/Integration with core partners, including:
  - Website/SEO teams
  - Traditional media
  - Search Engine partners/vendors/tools
- Meetings & Consultations
  - Contractor SEM team will be available for weekly meetings to discuss performance, insights, ongoing strategic and tactical recommendations, and industry updates and Contractor will lead these meetings, publish agenda, and publish meeting notes.
    - One-off requests, assignments, tasks, or data pulls not related to current programs
    - Research or POVs not initiated by Contractor
    - Informal SEM recommendations (e.g. exploratory keywords builds, traffic estimates, etc)
  - Contractor to provide quarterly check-ins with senior leadership

## SEO

An SEO engagement will look at the underlying organic ranking factors in the search engine landscape and formulate a strategy for a site redesign. Through the SEO strategy, Contractor will analyze keywords of competitors, maintain relevance, and guide Big Lots on the appropriate tactics to improve search engine visibility and drive conversions.

## Holistic SEO Engagement

- a. Project kickoff and goals
  - i. Search insights
  - ii. Keyword targets, mapping and strategy
  - iii. Project plan
  - iv. Baseline report
- b. Website audit and recommendations
  - i. One (1) technical audit
    - 1. Optimization recommendations including, but not limited to:
      - a. Information architecture
      - b. HTML improvements
      - c. Crawl errors
      - d. XML and robots.txt file updates
      - e. Duplicate and thin content audit
      - f. Internal linking strategy
      - g. Site speed opportunities
      - h. Core web vitals analysis and recommendations
    - 2. Implementation of CMS-based items, support for development work and Quality Assurance ("QA")
  - ii. On-page audit and recommendations
    - 1. Optimization recommendations to including, but not limited to:
      - a. YMYL site recommendations and prioritization
      - b. Page titles and descriptions
      - c. Heading tag improvements
      - d. Image and video optimization tags
      - e. HTML body copy improvement
      - f. Structured data recommendations
    - 2. Implementation of CMS-based items, support for development work and QA
- c. Content audits, ideation & strategy
  - i. Content ideation and briefs
    - 1. Competitor gap analysis
    - 2. Content ideation (two to three (2-3) topics monthly based on seasonality and priority)
    - 3. Content briefs performed on a monthly basis
    - 4. Content review and QA
- d. Paid and organic search audit and recommendations
  - i. Optimization recommendations including, but not limited to:
    - 1. Updating webpages for high performing paid search terms
    - 2. Ideate new landing page targets for paid search team
    - 3. A/B Test strategies across channels
- e. Local SEO
  - i. Manage third-party tool local citation management tool team interactions
    - 1. Recommendations including, but not limited to:
      - a. Local listings management and reviews
      - b. Google Business Profile review/analysis/recommendations
      - c. Third-party listing accuracy
      - d. Local authority and reviews audit
- f. Monthly reporting and tactical calls
  - i. Format to be developed in concert with Big Lots
  - ii. Presented as domain specific
  - iii. Addresses analytics data, keyword tracking
  - iv. Includes insights, recommendations and next steps

- v. Review status, reporting and action items
- vi. Question and answer; brainstorming
- vii. Monthly thought leadership and POVs

#### **Affiliate/Influencer**

Contractor to manage Big Lots' Affiliate Program to drive on site conversions to BigLots.com and in-store sales at BigLots stores during the terms of this agreement.

The following deliverables will be provided:

- Technology management
- Weekly reporting and status
- Vendor outreach/recruitment
  - Identify new partnerships for client review/approval to accomplish business goals.
  - Performance driven vendors to diversify program as needed
- Strategy and tactical recommendations to support overall program goals
  - Top line revenue growth, support for various promotions and initiatives, etc.
- Handle ongoing program tasks such as: Publisher optimizations, screen shots, QA of media placements, and any other typical affiliate tasks that require the team's attention
- Manage influencers via the Impact Creator tool.
- Budget management and recommendations where needed
- Provide media plans, measurement plans and other related details to garner approvals to lead to media activations
- Represent Big Lots at any affiliate or other industry conference the Contractor affiliate marketing team attends with the intention of finding quality advertising vendors to contribute to Big Lots' growth in the marketplace
- Keep up to date with industry trends and inform Big Lots, as needed, to improve the overall marketing plan.
- For influencer marketing, Contractor will on an annual basis develop influencer tactical plan in collaboration with Big Lots.

#### **TECHNOLOGY**

Contractor will provide third-party technology recommendations, based on review of Big Lots' needs and goals, and will either negotiate with vendors on behalf of Big Lots, in which case Contractor will manage vendor payment processing, or will work with Big Lots to select and contract directly with a vendor. In either case, Big Lots will bear technology costs for the following services:

- Bid management
- Site-side analytics
- Search ad monitoring or compliance
- **Ad Serving & Technology**
  - Delivery, tracking and other media technology costs will be billed separately as applicable and incurred as part of the campaigns developed for Big Lots. Such fees could include:
    - Tech operations & implementation (ensure media ad server and bid management platform tagging & implementation of tracking code)
    - Please refer to Ad verifications fees listed below for further detail

- **Out Of Pocket Expense**
  - External technology and tools deployed to evaluate and optimize performance of Big Lots' paid media and site experience would be an incremental expense based on negotiated partner/vendor rate card.
- **Technology Fees**
  - Delivery, tracking and other media technology costs as part of the campaign developed for Big Lots will be billed directly to Big Lots. Such fees include: Tech operations & implementation).

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## **Reporting**

Aggregation and consolidation of digital media data across various data sources (ad servers) and social media platforms to inform optimizations:

- **Automation**
  - Maintaining live dashboard with visual refreshes every quarter. Contractor to share timeline of when updates can be made based on feasibility
  - Data cuts to mimic standard reporting breakouts but constrained to each platform's data availability (detailed below)
  - All-in view across all channels and programs to be created covering the following metrics: impressions, costs, clicks, click-through rate, sessions, orders, conversion rate, cost per order
- **Reporting to include:**
  - Cross Channel Delivery Dashboard
  - Monthly or Quarterly Business Reviews (to be determined with Big Lots team)
  - Contractor cross-discipline lead team members sharing insights and observations as it pertains to Big Lots performance and opportunities.
- **Standard reporting frequency:**
  - Weekly Attribution and Cross Channel Delivery dashboard, with one week data lag
  - Monthly or Quarterly Business Reviews to be shared within 21 days of closing period, unless otherwise communicated by Big Lots team and data feasibility
  - Additional data pulls and reports that live outside the dashboard (ad hoc requests) should be limited to 5 per month in order to maintain consistency in source of truth reporting and efficient use of resources
  - Report feedback incorporated in following reporting deliverable
- **Standard reporting format:**
  - Formats and views to be determined in conjunction with the Big Lots and can include the following document types as options: Excel, Tableau, and PowerPoint
  - Covered under SOW's digital reports will follow a standard format, subject to 2 rounds of revision
  - Excel/Tableau reports to include campaign-level Executive Summary tab, and subsequent tabs for each digital channel with investment (e.g. Search, Display, etc.)
  - Excel/Tableau Templates to be designed in conjunction with Big Lots, to include data visualization, data charts, and insights summary
  - If used, PowerPoint report to include high-level data-breakouts and insights to be designed as an Executive-Level summary
  - Up to two rounds of revisions for PPT template

Up to 2 template revisions per year for both Excel/Tableau and/or PPT reports

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**Out of Scope Services**

This Agreement covers media activity in the United States for the Included Media Categories outlined above. CTV, Social, Audio, print, linear TV, Non-traditional Out-of-Home media such as guerilla (e.g., place based vehicles) and experiential/engagement/stunts are out of scope, as are the following services: Out-of-home print production (subject to a 15% charge to cover the coordination/internal labor costs of the Out-of-home media department), managing special media and live promotion events, sports sponsorships, digital media creative services, social media projects and programs (including barter media placement [e.g., blogger outreach], social intelligence reporting, social community development and management, cross-platform social enhancements, location based social activations, email marketing and deployment services, content development and deployment, online promotion and editorial integration), mobile creative ideation, production and development, strategic consulting services related to mobile apps, app management and mobile media planning and buying supporting apps, all virtual reality, augmented reality, and 360 degree video strategy, distribution, measurement and production, all mobile messaging efforts (such as keyboards and chat bots, etc.) that require strategic recommendation and production, mobile Customer Relationship Marketing (including SMS deployment, shortcode procurement, etc.).

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**Contractor Compensation**

Contractor will be compensated a retainer fee of \$1,098,000 during the SOW # 1 Term. The retainer fee will be billed on or around the first day of the month in advance in twelve (12) equal monthly installments of \$91,500.

**Miscellaneous Expenses**

Contractor will bill Big Lots for pre-approved following expenses it incurs on behalf of Big Lots on estimate at the same time it bills Big Lots for the underlying media costs: (i) out-of-pocket third party technology data charges including pixels and data-onboarding fees (e.g. LiveRamp, Neustar and any applicable taxes) and (ii) out-of-pocket third-party traffic costs. Payment and reconciliation to be in accordance with the Agreement.

By signing below, each party represents it has read this SOW # 1, understands it, and agrees to be bound by it as of the SOW # 1 Effective Date.

**BIG LOTS**  
**Big Lots Stores, LLC**

DocuSigned by:  
By: Jonathan E. Ramsden  
FF2E51629539412...

Print Name: Jonathan E. Ramsden

Title: EVP and CFO

**CONTRACTOR**  
**Horizon Media LLC**

DocuSigned by:  
By: Gene Turner  
DEB57134F919400...

Print Name: Gene Turner

Title: President